GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2253
ANSWERED ON:14.03.2008
LOAN TO FARMERS
Bhakta Shri Manoranjan;Chavan Shri Harischandra Deoram;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of FINANCE be pleased to state:

(a) whether any complaint has been received against the Public Sector Banks regarding disbursal of loans to the farmers at the time of Rabi and Kharif crops;

(b) if so, the number of complaints received by the Government during each of the last two seasons, bank-wise, State/UT-wise;

(c) whether any action has been taken against the concerned bank officials;

(d) if so, the details thereof; and

(e) the corrective measures taken/being taken by the Government to ensure easy flow of loan to farmers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d): Data reporting system does not generate the information in the manner asked for. However, all banks have a robust internal grievance redressal mechanism to address all customer complaints including those relating to disbursal of loans to the farmers. Various instructions have been issued to banks from time to time in this regard. Any customer who has a genuine grievance, which may include refusal of loans to the farmers, is attended to by the concerned bank.

(e) : Government of India (GoI) has taken the following steps to ensure availability of timely and affordable credit for farm sector :-

The GoI is providing interest subvention to banks since Kharif 2006-07 to ensure Short Term crop loans upto Rs.3 lakh to famers at interest rate of @ 7% per annum at the ground level.

The GoI has stipulated a target of Rs.2,25,000 crore and 2,80,000 crore for agriculture credit flow by all the banks during 2007-08 and 2008-09 respectively.

Commercial Banks and Regional Rural Banks have been successful in financing 50 lakhs new farmers during each of the last three year.

Banks have simplified the procedure for documentation for agricultural loans.

Loans upto Rs.50,000/- have been made collateral and margin free and the requirement of 'No Dues Certificate' has been dispensed with.

Banks have been advised to provide all eligible farmers with Kisan Credit Cards.

Banks have been instructed to achieve financial outreach through provision of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, Non Governmental Organisations (NGOs), Post Offices as Business Facilitator/Business Correspondent, etc.